
BUDGET UNIT BRIEF – FY 2023

Fiscal Services Division

July 1, 2022



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Legal Services Poverty Grants

Purpose and History

Iowa Code section [13.34](#) requires the Office of the Attorney General to contract with a nonprofit corporation to provide legal counsel to indigent people in civil matters. The Attorney General's Office contracts with Iowa Legal Aid for services. The Legal Services Poverty Grants Program was first funded by Iowa in FY 1997 with a \$950,000 General Fund appropriation to offset federal reductions to the Legal Services Corporation (LSC).

Legal Services Corporation

The LSC provides financial support for civil legal services to persons in poverty, defined as persons with income up to 125.0% of the Federal Poverty Level (FPL). The LSC is a federally chartered corporation headquartered in Washington, D.C., and is governed by an 11-member board of directors. Directors serve staggered terms and are nominated by the President of the United States and confirmed by the United States Senate. The corporate charter is at the federal level, and each state has at least one nonprofit entity to receive and administer funds and provide legal services. The LSC funds are distributed to each state as legal services poverty grants based on U.S. Census data for low-income residents. The LSC awards grants to Iowa Legal Aid to provide legal representation for low-income Iowans.

Iowa Legal Aid

Iowa Legal Aid was formed by the merger of the Legal Aid Society of Polk County and the Legal Services Corporation of Iowa in FY 2003. Each entity had been in existence for several decades prior to the merger. Iowa Legal Aid serves eligible residents of all 99 counties in Iowa and has 10 offices located in Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Mason City, Ottumwa, Sioux City, and Waterloo. Iowa Legal Aid operates a Volunteer Lawyers Project to provide free services to clients. The Polk County Bar Association Volunteer Lawyers Project handles cases from Polk County. Iowa Legal Aid works closely with these pro bono projects as well as law schools and local and State bar associations.

The Iowa Legal Aid Board oversees the operations of Iowa Legal Aid and sets priorities for services. The main priorities include: protecting victims of domestic violence, preventing illegal evictions and unsafe housing, securing income support such as Medicaid and disability benefits, and preventing consumer fraud and abusive debt collection practices.

Most of the cases staffed by Iowa Legal Aid involve legal issues in State court or before government agencies. Approximately 71.0% of the primary clients are women. More than 23.0% of the clients are

More Information

Office of the Attorney General: iowaattorneygeneral.gov

Iowa Legal Aid: iowalegalaid.org

Iowa State Bar Association: iowabar.org

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older Iowans, most of whom are women. Approximately 38.5% of cases involve housing issues, 25.5% are family law matters with most involving domestic abuse, and the remaining 36.0% of cases involve consumer matters, health-related issues, individual rights, and income support programs such as Supplemental Security Income or veterans benefits.

Funding

Iowa Legal Aid receives funds from a variety of sources, including federal grant awards through the LSC, State grant awards through a contract with the Office of the Attorney General, donations through organizations such as United Way, other federal funds, and fundraising by the Iowa Legal Aid Foundation.

In addition, Iowa Legal Aid receives funds from the Interest on Lawyers' Trust Account (IOLTA). Funds are generated by interest earned on certain pooled accounts held by attorneys. Attorneys are required by court order to deposit client funds in interest-bearing accounts. The Iowa Supreme Court Lawyer Trust Account Commission makes grant awards from the IOLTA annually. Grant award amounts vary from year to year based on changes in interest rates.

Iowa Legal Aid also receives funds from the Civil Reparations Trust Fund. Iowa Code section [668A.1\(2\)\(b\)](#) requires awards for punitive or exemplary damages that arise from claims that are willful and wanton but not specifically directed at the claimant to be divided between the claimant (25.0%) and the Civil Reparations Trust Fund (75.0%). The Fund is used for indigent civil litigation or insurance assistance programs. The Fund is administered by the State Court Administrator, and awards are granted by the Executive Council. Grant award amounts vary significantly from year to year.

Related Statutes and Administrative Rules

Iowa Code sections [13.34](#) and [668A.1](#)

Budget Unit Number

1120B110001

Doc ID 1285151